

Property Tax Bureau
Informational Guideline Release (IGR) No. 98-206
September 1998

DEALER PLATE SPECIAL EXCISE

**Chapter 194 §§116-119 of the Acts of 1998
(Amending G.L. Ch. 60A §1)**

This Informational Guideline Release informs local officials of a statutory change which imposes a special excise of \$100.00 for every dealer registration plate issued to motor vehicle dealers by the Registrar of Motor Vehicles.

Topical Index Key:

Motor Vehicle Excise

Distribution:

Assessors
Collectors

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**Chapter 194 §§116-119 of the Acts of 1998
(Amending G.L. Ch. 60A §1)**

SUMMARY:

This legislation exempts motor vehicles operated with dealer plates from the customary motor vehicle excise under Chapter 60A of the General Laws and, instead, imposes on each motor vehicle dealer a special excise of \$100.00 for every dealer registration plate issued to that dealer by the Registrar of Motor Vehicles.

Trailers operated with dealer plates continue to be subject to the usual excise provisions prescribed by G.L. Ch. 60A. That is to say, such trailers may not be operated with dealer plates for personal use.

Motor vehicles may be operated with dealer plates for exclusively business reasons by any person. However, they may be utilized for personal use only by a dealer, a dealer's spouse, a co-owner who holds at least a 40% proprietary interest in a motor vehicle dealership, a co-owner's spouse and by dealership employees who work at least 20 hours a week for the dealership and whose duties involve the sale of motor vehicles.

GUIDELINES:

I. OPERATIONAL DATE

The motor vehicle excise is a "calendar year" assessment. Since the new, special excise on dealer plates was enacted during the course of the 1998 calendar year, it will become operational at the beginning of the next calendar year, **i.e., calendar year 1999.**

II. **ASSESSMENT PROCESS**

A. **Per Plate Assessment**

Beginning in calendar year 1999, local assessors must assess a special excise upon each motor vehicle dealer of \$100.00 per plate for every dealer plate issued to that dealer for the respective calendar year.

B. **Registry List**

Assessors should assess this special excise using dealer plate lists provided by the Registry of Motor Vehicles to every city and town. Each municipality's list will identify all persons in that city or town to whom the Registry has issued dealer plates. In addition, the list will state the number of plates issued to each dealer.

C. **Time of Delivery of Registry List**

The Registry issues dealer plates annually, for the period beginning each April 1st and ending the following March 31st. Therefore, assessors should anticipate receiving dealer plate lists for each calendar year at or near the time of issuance of dealer plates for that calendar year.

III. **BILLING PROCESS**

A. **Form of Bills**

Tax collectors may use the standard motor vehicle excise bill for purposes of the special excise, adapting this bill as necessary.

B. **Number of Bills**

For each dealership in their respective communities, tax collectors should issue a single bill which shows the number of dealer plates issued to that dealership and the special excise amount due, *i.e.*, the number of plates multiplied by \$100.00.

IV. REVENUE

Assessors should include the amount estimated to be received from the special excise on the “Motor Vehicle Excise” line on Page 3 of the Recapitulation Sheet.

V. TRAILERS

Trailers continue to be subject to the customary excise provisions of G.L. Ch. 60A. They may not be operated with dealer plates for personal use.

VI. USE OF DEALER PLATES

A. Vehicle Owned or Held for Sale and Demonstration

A dealer may use a dealer plate only on vehicles owned by him and held for sale and demonstration.

B. Business Use

Any person may operate a vehicle with dealer plates for exclusively business related purposes.

C. Personal Use

1. The following persons may operate a vehicle with dealer plates for personal use:
 - a) a motor vehicle dealer
 - b) a dealer’s spouse
 - c) a co-owner who holds at least a 40% proprietary interest in a motor vehicle dealership
 - d) a qualifying co-owner’s spouse
 - e) a dealership employee who works at least 20 hours per week for a dealership and whose duties involve the sale of motor vehicles.
2. No other person, including (a) other relatives of a dealer or co-owner and (b) other dealership employees whose duties do not involve the sale of motor vehicles, may operate a vehicle with dealer plates for personal use.

VII. DISPLAY OF NOTICES AND STICKERS

Any vehicle operated with a dealer plate must display all notices and stickers required by federal and state law.

- A. New motor vehicles operated with dealer plates must display the following:
 - 1. A document which states the manufacturer's list price, the location of the dealer to whom the vehicle was shipped, the Vehicle Identification Number, and lists all optional equipment on the vehicle. 15 United States Code §§1231-33.
 - 2. The sticker required by G.L. Ch. 90 §7N½, listing the rights of a consumer under the "New Car Lemon Law."
- B. Used motor vehicles operated with dealer plates must display the following:
 - 1. A document called the "Used Car Buyer's Guide," which provides information about warranty coverage. The Federal Trade Commission requires this document to be posted on used cars offered for sale to consumers. 16 Code of Federal Regulations §455
 - 2. The sticker required by G.L. Ch. 90 §7N¼, listing the rights of a consumer under the "Used Car Lemon Law."